To:
Honorable Senator John W. Fonfara, Co-Chair,
Honorable Representative Christie M. Carpino, Co-Chair, and
Members of the Legislative Program Review and Investigations Committee

Legislative Program Review and Investigations Committee Public Hearing
February 27, 2015.

# Please Support H.B. 6738
# An Act Implementing the Recommendations of the Program Review and Investigations Committee Concerning the Federal Achieving A Better Life Experience Act.

My name is Lisa Nachmias Davis, and I am an elder law and trusts and estates attorney with an office in New Haven, Connecticut. I am testifying today on behalf of the Connecticut Bar Association Elder Law Section in support of H.B. 6738.

The "Achieving A Better Life Experience Act of 2014", known as the "ABLE" act, is a new federal law which went into effect on January 1, 2015. H. B. 6738 will implement the federal legislation.

The ABLE act enables individuals who became disabled before they turned 26 years old to set aside up to $14,000 per year in a savings account without affecting eligibility for public benefit programs like Medicaid and Supplemental Security Income (SSI). These accounts are known as 529A accounts.

Under the new federal law, tax-free savings accounts can be used to pay for qualifying expenses related to the eligible individual's blindness or disability which are made for the benefit of an eligible individual who is the designated beneficiary, including education, housing, transportation, employment training and support, assistive technology and personal support services, health, prevention and wellness, financial management and administrative services, legal fees, expenses for oversight and monitoring, and funeral and burial expenses, As long as the account balance does not exceed $100,000.00, the individual's eligibility for Medicaid or SSI will not be affected.

However, H.B. 6738 does not exclude 529A account balances from being counted as assets for Medicaid and Supplemental Security Income (SSI) eligibility purposes as the federal law requires (while the State of Connecticut does not make eligibility for the federal SSI program, it does make the eligibility decisions for the Medicaid program).This is in contravention of the federal statute and defeats the whole purpose and intent of the federal legislation.The federal law specifically states as follows:

"Section 103(a) ACCOUNT FUNDS DISREGARDED FOR PURPOSES

OF CERTAIN OTHER MEANS-TESTED FEDERAL PROGRAMS.—
Notwithstanding any other provision of Federal law that requires consideration of 1 or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such provision to be provided to or for the benefit of such individual, any amount (including earnings thereon) in the ABLE account (within the meaning of section 529A of the Internal Revenue Code of 1986) of such individual, any contributions to the ABLE account of the individual, and any distribution for qualified disability expenses (as defined in subsection(e)(5) of such section) shall be disregarded for such purpose with respect to any period during which such individual maintains, makes contributions to, or receives distributions from such ABLE account."

The Elder Law Section of the Connecticut Bar Association supports the passage of H.B. 6738, provided that it is amended to specifically exclude 529A account balances from being counted as assets for Medicaid and Supplemental Security Income (SSI) eligibility purposes, pursuant to the terms of the federal enabling legislation.